

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6569

BILL NUMBER: HB 1716

NOTE PREPARED: Apr 29, 2009

BILL AMENDED: Apr 28, 2009

SUBJECT: Little Calumet River Basin Development Commission.

FIRST AUTHOR: Rep. Soliday

FIRST SPONSOR: Sen. Charbonneau

BILL STATUS: Enrolled

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: *Commission Membership.* This bill changes the membership of and the qualifications for membership on the Little Calumet River Basin Development Commission. The bill requires record keeping and audits of the Commission's accounts. It requires the Commission to prepare reports annually, or more frequently as required by the Governor. It also staggers the initial terms of the members and makes conforming changes.

Maintaining Levees. The bill requires the Commission to provide or provide for the training and instruction of persons who are responsible for maintaining levees or other improvements related to flood control.

Effective Date: June 1, 2009; July 1, 2009.

Explanation of State Expenditures: *Commission Membership.* The bill reduces the membership of the Commission from 11 to 5. This provision will reduce per diem and traveling expenses associated with Commission meetings. The Commission meets monthly, and 10 members, who are local, receive \$50 per meeting. (One state employee is not reimbursed.) Total commission costs are estimated at \$6,000. Reducing membership by 6 could reduce costs by \$3,600.

Expenses of the Commission are paid from state General Fund appropriations. For the FY 2007-2009 biennium, the Commission was appropriated \$2 M for repair and rehabilitation.

Commission Reporting. Each year, the commission must report the commission's activities to the Governor and the Legislative Council. The Governor may require the commission to issue reports more frequently. These provisions will increase administrative expenses for the commission.

Maintaining Levees. The bill requires the Commission to provide or provide for the training and instruction of persons who are responsible for maintaining levees or other improvements related to flood control. The bill contains no appropriations. As indicated above, expenses of the Commission are paid from state General Fund appropriations. For the FY 2007-2009 biennium, the Commission was appropriated \$2 M for repair and rehabilitation.

State Board of Accounts (SBA): The SBA must prescribe the methods and forms for record keeping and annually audit the accounts, records, and books of the commission and fund. The provision will increase administrative expenses for the SBA. However, the SBA should be able to accomplish these tasks given its existing level of resources. The SBA reverted \$463,000 in FY 2008.

Explanation of State Revenues:

Explanation of Local Expenditures: *Commission Membership* The bill provides that members may not be employees or elected officials of a city, town, or county governmental unit. Therefore, there should be no local expenses related to membership of the commission.

Maintaining Levees. The bill provides no appropriation to provide funding that may or may not be needed to provide the required training.

Preliminary information of an audit on commission expenditures through July indicated that, of the state's latest \$2 M appropriation, nearly \$1.7 M was spent on real estate acquisition, utility relocation, railroad negotiations, and capital costs.

The commission receives other funding. In addition to state appropriations, the Indiana Economic Development Commission provided \$6 M for development of a project to Northcote Avenue. The Regional Development Commission made a \$6 M loan available. The commission must submit claims for reimbursement.

Explanation of Local Revenues:

State Agencies Affected: SBA.

Local Agencies Affected: Little Calumet River Basin Development Commission.

Information Sources: Ron McAhron, Deputy Director, Department of Natural Resources; SBA.

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.